

**31A-22-411 Insurance policies providing variable benefits.**

- (1) An insurance policy that provides for payment of a benefit in a variable amount shall contain a statement of the essential features of the procedure to be followed by the insurer in determining the dollar amount of the variable benefits.
- (2) A variable insurance policy shall contain:
  - (a) an appropriate nonforfeiture benefit in lieu of those required by either Section 31A-22-408 or 31A-22-409;
  - (b) an appropriate reinstatement provision in lieu of those required by Section 31A-22-407; and
  - (c) a grace period provision appropriate to that type of insurance policy in lieu of those required by Section 31A-22-402.
- (3) An individual insurance policy and a certificate issued under a group insurance policy shall conspicuously state on its first page that:
  - (a) the dollar amount may decrease or increase according to investment experience; and
  - (b) a benefit under the insurance policy is payable on a variable basis.
- (4) A life insurance or annuity policy with a variable benefit issued under a separate account shall, on either the application or the insurance policy, state that the insurer's liabilities with respect to a variable benefit under the insurance policy are subject to satisfaction only out of the insurer's variable account assets.
- (5)
  - (a) A variable insurance policy shall state whether it may be amended as to:
    - (i) investment policy;
    - (ii) voting rights; and
    - (iii) conduct of the business and affairs of a separate account.
  - (b) Subject to any preemptive provision of federal law, an amendment of the type described in this Subsection (5) is subject to:
    - (i) filing under Section 31A-21-201; and
    - (ii) approval by a majority of the policyholders in the separate account.

Amended by Chapter 10, 2010 General Session